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Message Text

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44-S
ACTION SS-15

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O 211721Z JUL 76 ZFF-4
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC IMMEDIATE 6296

C O N F I D E N T I A L SECTION 1 OF 2 MEXICO 9337

FOR DEPUTY SECRETARY AND UNDERSECRETARY MAW

E.O. 11652: GDS
TAGS: EFIS, MX, PLOS
SUBJECT: PROGRESS OF US/GOM FISHERIES TALKS: SHRIMP

SUMMARY: US/GOM FISHERIES NEGOTIATIONS HAVE BEEN GOING ON FOR TWO DAYS. GOM HAS CHANGED ITS POSITION ON SHRIMP AND IS NOW PROPOSING PHASE-DOWN/PHASE-OUT U.S. SHRIMP FISHERY OVER 3-YEAR PERIOD. HOWEVER, IT IS NOT POSSIBLE TO DETERMINE AT THIS TIME WHETHER AGREEMENT ACROSS RANGE OF OUTSTANDING ISSUES ACHIEVABLE. END SUMMARY.

1. US/MEXICO FISHERIES TALKS CONVENED 19 JULY. MEXICAN DEL LED BY SUB-SECRETARY OF EXTERNAL RELATIONS JORGE CASTANEDA, SUPPORTED BY SUB-SECRETARY OF FISHERIES HECTOR MEDINA NERI. LARGE U.S. DEL COMPRISED OF FEDERAL, STATE AND FISHING INDUSTRY REPRESENTATIVES FROM GULF AND PACIFIC COASTS LED BY AMBASSADOR R.L. RIDGWAY.

2. IN OPENING REMARKS U.S. MADE STRONG STATEMENT THAT SHOULD MEXICO NOT PERMIT CONTINUATION OF TRADITIONAL U.S. FISHERY FOR SHRIMP IN THE GULF WATERS WITHIN MEXICO'S CLAIMED 200-MILE ZONE WHERE IT WAS CLEAR THAT A SURPLUS WAS AVAILABLE FOR HARVEST AND WHICH THE MEXICAN FISHING FLEET DID NOT HAVE THE CAPABILITY TO CATCH AT PRESENT, THIS WOULD IMMEDIATELY PRECIPITATE PRESSURES WITHIN THE U.S. TO EMBARGO MEXICAN SHRIMP IMPORTS IN ACCORDANCE WITH THE TERMS OF THE FISHERIES
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CONSERVATION AND MANAGEMENT ACT OF 1976. AMBASSADOR RIDGWAY

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EXPRESSED GREAT CONCERN AND DISMAY THAT THE MEXICAN SIDE SEEMS TO HAVE DEVELOPED AN ERRONEOUS IMPRESSION THAT THERE WOULD NOT BE AN EMBARGO WHILE NOT SAYING THAT THERE WOULD BE AN EMBARGO. AMBASSADOR RIDGWAY EMPHASIZED THAT THE TWO GOVERNMENTS SHOULD NOT ALLOW THEIR FUTURE FISHERIES RELATIONSHIP TO BE DETERMINED BY THE OUTCOME OF A DOMESTIC POLITICAL ISSUE WITHIN THE U.S., BUT SHOULD KEEP CONTROL OF THE SITUATION BY REACHING AN AGREEMENT THAT ACCOMODATES THEIR MOST IMPORTANT INTERESTS. AT THE SAME TIME, THE U.S. WAS NOT CHALLENGING MEXICO'S RIGHT TO REGULATE THE FISHING ACTIVITIES FOR COASTAL SPECIES OF FOREIGN FLEETS WITHIN ITS 200-MILE ZONE AS A COASTAL STATE IN ACCORDANCE WITH EMERGING INTERNATIONAL PRINCIPLES AND PROPOSED THAT THE U.S. WOULD BE WILLING TO WITHDRAW FROM THE SHRIMP FISHERY IN THE CAMPECHE AREA. THE U.S. WOULD ALSO BE PREPARED TO PHASE-DOWN AND PHASE-OUT U.S. SHRIMPING IN THE OTHER TWO FISHING GROUNDS (TAMPICO AND CONTOY) OVER A 5-YEAR PERIOD WITH THE INITIAL CATCH TO BE LIMITED TO 70 PERCENT (7 MILLION POUNDS OF SHRIMP) OF THE FORMER TOTAL U.S. CATCH IN MEXICAN WATERS. THE MEXICAN SIDE DID NOT RESPOND TO THE U.S. STATEMENT, EXCEPT TO STATE THAT IT NEEDED TO STUDY THE U.S. PROPOSAL CAREFULLY.

3. STRONG U.S. OPENING STATEMENT WAS MADE SINCE IT BECAME APPARENT AFTER MEETING OF PRINCIPALS PRIOR TO BEGINNING OF OPENING PLENARY SESSION THAT MINISTRY OF COMMERCE AND INDUSTRY AND MEXICAN INDUSTRY WERE STILL NOT CONVINCED THAT THERE WAS ANY RISK TO MEXICO AS CONSEQUENCE OF GOM POSITION ON SHRIMP AND WAS CONTINUING TO PRESS FOR IMMEDIATE TERMINATION OF ALL U.S. SHRIMPING OPERATIONS IN MEXICAN WATERS, A POSITION WHICH THE MINISTRY OF FOREIGN AFFAIRS (MFA) WAS STILL CHALLENGING WITHIN THE GOM.

4. MEXICAN DEL PROPOSED IN LATE CLOSED SESSION ON 20 JULY THAT U.S. REDUCE ITS SHRIMP FISHERY BY 50 PERCENT TO A LEVEL OF 2,250 METRIC TONS (5 MILLION POUNDS) PER YEAR, WITH THE CATCH TO BE REDUCED EACH YEAR BY ONE-THIRD OVER A 3-YEAR PERIOD ON A PHASE-DOWN/PHASE-OUT BASIS (I.E. COMPLETE ELIMINATION OF U.S. FISHERY AFTER THREE YEARS). IN ADDITION, THE U.S. FISHERY WOULD BE PERMITTED ONLY ON THE TAMPICO AND CONTOY GROUNDS, AND THE CAMPECHE FISHERY WOULD BE TERMINATED CONFIDENTIAL

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IMMEDIATELY. IN MAKING THIS PROPOSAL, CASTANEDA STATED THAT THE DECISION TO PERMIT CONTINUATION OF U.S. SHRIMP FISHERY ARRIVED AT WITH GREATEST DIFFICULTY IN DISCUSSIONS INVOLVING THE HIGHEST LEVELS OF GOVERNMENT (WE KNOW IT WAS PRESIDENTIAL DECISION REACHED AT 11:30 P.M. THE NIGHT OF JULY 19). THE MEXICAN SIDE HAD LITTLE ROOM TO MANEUVER. AS PRICE FOR PERMITTING CONTINUATION OF U.S. FISHERY, MEXICO HAS PROPOSED A FEE OF 5 PERCENT ON THE VALUE (AVERAGE PRICE) PER POUND

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OF SHRIMP LANDED BY THE U.S. CALCULATED AT DOLLARS U.S. 3.66
PER POUND. (THIS VALUE FIGURE IS CLAIMED TO BE TOO HIGH BY
U.S. INDUSTRY). THIS TRANSLATES INTO AN ANNUAL TOTAL COST
OF DOLLARS U.S. 915,000 PER YEAR OR APPROXIMATELY 1800 DOL-
LARS PER VESSEL FOR THE 500 OR SO U.S. VESSELS ENGAGED IN
THE MEXICAN SHRIMP FISHERY.

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INFO OCT-01 ARA-06 ISO-00 SSO-00 SP-02 OES-06 L-03 DLOS-06

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C O N F I D E N T I A L SECTION 2 OF 2 MEXICO 9337

FOR DEPUTY SECRETARY AND UNDERSECRETARY MAW

5. THE U.S. SIDE STATED THAT IT CANNOT COMMIT THE USG TO THE
PAYMENT OF 915,000 DOLLARS. ALSO THERE MAY BE A HIGH DROP
OUT RATE IN U.S. FISHERMEN WANTING TO FISH OFF MEXICO IF
THE FEE IS TOO HIGH AND THEREBY INCREASING THE COST TO THE
OTHERS. PROPOSALS BY THE U.S. TO ESTABLISH A SEASONAL FISHERY
IN DEFINED AREAS WITHOUT ESTABLISHING A QUOTA WERE REJECTED
BY THE MEXICAN SIDE. FOLLOWING LENGTHY DISCUSSION TO CLARIFY
MEXICAN PROPOSAL, CASTANEDA STATED THAT VALUE OF ECONOMIC
RENT FOR PERMITTING U.S. FISHERY TO CONTINUE WAS NOT A PRI-
MARY CONSIDERATION AND THIS COULD BE WORKED OUT BUT IT WAS
MOST IMPORTANT THAT MEXICAN GOVERNMENT BE ABLE TO TELL ITS
PEOPLE THAT AFTER THREE YEARS U.S. FISHERY WOULD BE PHASED
OUT AND RESOURCE WOULD THEN BE RESERVED EXCLUSIVELY FOR
HARVEST BY MEXICANS ONLY. IT WAS ALSO CLARIFIED THAT
MEXICO WOULD ALSO BE PERMITTING THE CONTINUTATION OF CUBA'S
SHRIMP FISHERY ON SIMILAR TERMS AS THOSE WITH U.S.

6. U.S. HAS RESERVED ITS POSITION ON MEXICAN PROPOSAL,
EMPHASIZING IN PARTICULAR THE DIFFICULTY IT HAD WITH THE
RATE (50 PERCENT) OF CATCH REDUCTION AND THE NECESSITY OF

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WORKING OUT PRINCIPLES ON THE OPPORTUNITY FOR CONSULTATIONS
DURING PERIOD OF AGREEMENT OR RENEGOTIATION AFTER THREE
YEARS.

7. U.S. SHRIMP INDUSTRY CAUCUSED LATE JULY 20 TO CONSIDER
AND EVALUATE MEXICAN PROPOSAL AND EARLY DELEGATION MEETING
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SCHEDULED THIS MORNING (21 JULY) TO RECEIVE THEIR VIEWS AND
TO DISCUSS POSSIBLE RESPONSES TO MEXICAN PROPOSAL. TUNA
PROBLEM HAS NOT BEEN ADDRESSED FORMALLY IN MEETINGS BETWEEN
TWO DELEGATIONS BUT MEXICAN SIDE HAS SUGGESTED THAT PERHAPS
ARRANGEMENTS COULD BE WORKED WHEREBY U.S. INDUSTRY ON PRIVATE
BASIS WOULD PAY FEES FOR FISHING TUNA IN MEXICAN ZONE. THIS
SUGGESTION HAS BEEN REJECTED.

8. TECHNICAL COMMITTEES HAVE BEEN ASSIGNED TO DEVELOP SIMP-
LIFIED LICENSING AND ADMINISTRATIVE PROCEDURES IN GULF HOOK
AND LINE FISHERY. MEXICAN SIDE HAS NOMNOBJECTED TO INCREASE
PSHU.S. HOOK AND LINE FISHING FLEETVWE
DK
OOM SERIOUS PROBLEM ALSO REMAINS IN PROVIDING FOR TRANSITIONAL
PERIOD BEGINNING AUGUST 1 SINCE IT INCONCEIVABLE, AT LEAST
TO US, THAT WE COULD HAVE ARRANGEMENTS IN PLACE AND U.S.
VESSELS LICENSED BY THEN.
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